



AIIB'S APPROACH TO PREVENTING AND ADDRESSING RISKS OF RETALIATION TO PROJECT-AFFECTED PEOPLE

Introduction

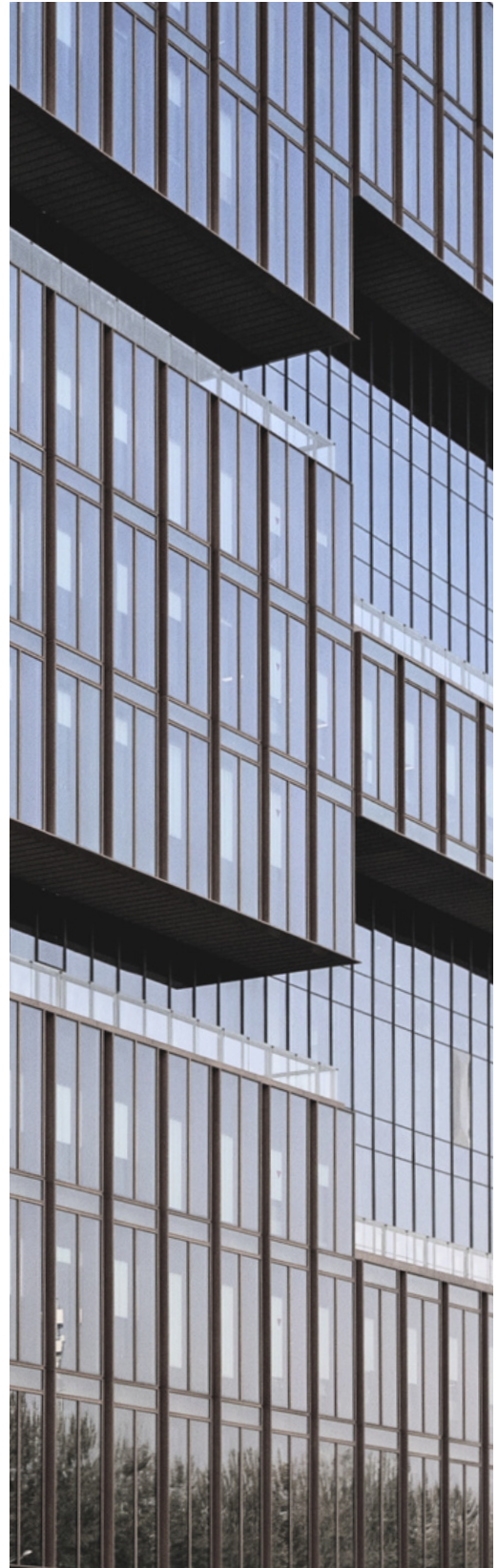
AIIB is committed to addressing retaliation concerns of Project-affected people. AIIB's approach to addressing these concerns can be found both in its Environmental and Social Policy (ESP) and its Policy on the Project-affected People's Mechanism (PPM Policy).

The Project-affected People's Mechanism (PPM) is AIIB's independent accountability mechanism. It is designed to provide an independent and impartial review of complaints from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP.

AIIB's PPM is not an enforcement mechanism. Therefore, its approach focuses on procedural measures to assess risks, protect confidentiality, and promote a safe and respectful environment for engagement.

The objective of this brochure is to outline AIIB's approach to retaliation as reflected in its ESP, Statement on Retaliation, PPM Policy, and PPM Rules of Procedure (RofP).

Note: This brochure reproduces in quotations the relevant provisions from these documents. Some text from these provisions is reflected in bold for ease of reference. Additional practical information is provided in boxes on pages 7 and 8.



What is Retaliation?

As defined in the PPM Rules of Procedure:

“Retaliation is any detrimental act recommended, threatened or taken (directly or indirectly) against any person to silence him or her, prevent his or her interaction with the PPM or filing of a submission.

Forms of Retaliation include harassment, discriminatory treatment, withholding of entitlement, risks to livelihood or reputation and threats of physical violence, criminalization or incarceration.”

AIIB’s Statement on Retaliation

On May 31, 2022, AIIB published a Statement on Retaliation, which provides:

“Retaliation related to projects supported by AIIB can take many forms and must be assessed on a case-by-case basis. Retaliation can include threats, harassment, violence, or punitive action taken against an individual, group or organization (such as a worker, contractor, community member, Indigenous Peoples leader, activist, human rights defender, or civil society organization (CSO)) that has lodged a complaint or voiced criticism or concerns about a development project proposed for support or for which financing has already been extended.

Examples of such retaliation include anonymous threats against a local community activist for raising concerns about project impacts; threats against community members for raising formal grievances under the project; or violence used by security forces against stakeholders who oppose the project. Such threats do not necessarily have to be physical in nature and can also consist of other disadvantages.

The victims of retaliation can be persons involved in implementing the project (for example, project personnel or a contractor’s personnel) or they can be persons affected by or interested in the project (for example, community members, activists, or members of a CSO). Note that the terms “retaliation,” “retribution” and “reprisal” can be used interchangeably.

Retaliation against those who oppose or criticize a project can negatively affect a project’s ability to be successfully implemented and/or operated. Creating a safe, free and open environment for workers and communities to raise environmental and social (ES) concerns can help manage risks, as this allows for proactive identification of potential issues and enables the Client to work with affected stakeholders to address these issues effectively before they escalate.

It is therefore important for Clients to assess the risk of retaliation, develop and implement actions to reduce its likelihood, and prepare a plan to respond should retaliation occur, even if the Client already has a policy in place to address risks of retaliation.”

Section 5 of AIIB's Statement on Retaliation provides that:

“AIIB works with the Client during its environmental and social (ES) due diligence (DD) and oversight of Project implementation to avoid or minimize risks of retaliation.

(a) During its ES DD, AIIB determines whether the Project presents risks of intimidation, coercion, manipulation, and retaliation to stakeholders. If these risks are identified, it requires the Client to develop and implement measures to protect against them, in a timely manner commensurate with the nature of the risks and their potential impacts. As appropriate, AIIB provides guidance and capacity building to the Client. AIIB also determines whether the Project-level and labor grievance redress mechanisms (GRMs) include provisions: (i) to protect complainants from retaliation, grant them confidentiality and enable them to remain anonymous, if requested; and (ii) to protect those who defend the rights of complainants to make such complaints.

(b) During Project implementation by the Client, AIIB monitors the functioning of the GRMs. If AIIB Management or staff become aware of any allegations that retaliation has occurred or is occurring under the Project, AIIB promptly undertakes a review of these allegations. If Management is satisfied that the allegations have been substantiated, it requires the Client to take appropriate time-bound measures to address the matter. Should the Client fail to take these measures within the time frame indicated, AIIB may take appropriate action, including exercise of its contractual remedies. In all cases involving allegations of retaliation, AIIB will be attentive to the need for preserving the confidentiality of the information provided to it.”

AIIB's ESP Provisions on Retaliation

AIIB's Environmental and Social Framework (ESF), which includes its ESP, recognizes the risk of retaliation and requires the Client to develop adequate measures to address such risks.^[1]

Section 76 of the ESP provides:

“Recognizing the increasing risks of intimidation, coercion, manipulation and retaliation in cases where relevant stakeholders express views regarding the environmental and social risks and impacts of development projects, if the Bank determines that a Project presents such risks to the relevant Project stakeholders, it requires the Client to develop measures to protect against them. The Bank will promptly review allegations of such retaliation in connection with the Projects it supports. If such allegations are substantiated to the Bank's satisfaction, the Bank will discuss with the Client measures to be implemented by the Client to address retaliation risks under the Project. If the Client fails to do so within a reasonable time, the Bank will consider taking appropriate action.”

[1] See Environmental and Social Framework (2024): Vision Statement, Section 18; ESP Sections 73.2, 76 and 77; Environmental and Social Standard 1, Sections 4, 24.5, 58.7; Environmental and Social Standard 2, Section 18.3; Environmental and Social Standard 3, Section 14.2.

PPM Policy Provisions on Protecting Confidentiality and Addressing Retaliation Risk

The PPM Policy and Rules of Procedure contain specific provisions on confidentiality and assessment and mitigation of the risks of retaliation against Requestors who make submissions to the PPM. Attachment 4 to the PPM Rules of Procedure provides more detailed guidance on “Implementing Retaliation Risk Mitigation Measures.”

Relevant text from Section 9 of the PPM Policy is reproduced below.

Confidentiality^[2]

- “The Requestors may request confidentiality for a variety of reasons, including risk of retaliation. The request for confidentiality and the reasons for the request shall be provided with the submission.
- The request for confidentiality shall be considered by the PPM and all reasonable efforts will be made to grant confidentiality. The PPM will advise all PPM personnel, and Management will advise all other AIIB personnel, of their obligations to ensure the requested confidentiality when handling any submissions received.
- If, however, confidentiality becomes an impediment to eligibility assessment or to effective resolution of issues raised, the PPM shall advise the Requestors of such concerns and seek to agree on how to proceed. Failing such agreement, the PPM may terminate the review of the submission.”

Retaliation Risk^[3]

- “The PPM shall recognize and assess the risks of retaliation against the Requestors, any in-country Authorized Representative and, if determined by the PPM, other relevant persons in connection with a submission.
- The PPM shall advise the Requestors and the in-country Authorized Representative about the inability of the PPM to assist with the physical protection measures and explore with them if confidentiality of the identity of the Requestors or the in-country Authorized Representative and, if applicable, other relevant persons and/or any other information would mitigate the retaliation risks.”

[2] PPM Policy, Section 9.1

[3] PPM Policy, Section 9.2

PPM Rules of Procedure on Retaliation

The PPM Rules of Procedure provide:

“The PPM recognizes that instances of Retaliation are a serious issue. Threats and acts of Retaliation against people who may interact with the PPM may place those people, their families, any in-country Authorized Representative or others, as well as the effectiveness of the PPM, at risk. These threats and acts of Retaliation can come from Project proponents, agencies, Clients, contractors, employees, and rival interest groups, including other Project-affected people, among others. They can occur at all stages of the Project cycle, for example, during preparation and delivery of a submission to the Project-level GRM or PPM or during PPM site visits and other meetings. In the latter case, threats and acts of Retaliation may also affect interviewees and PPM personnel facilitating communications and meetings with Project-affected people.

Neither AIIB nor the PPM is an enforcement mechanism. Consequently, the PPM is unable to physically protect or safeguard people from possible consequences of engaging in a PPM process or cooperating with PPM personnel. The PPM advises Requestors and any in-country Authorized Representative about its inability to assist with physical protection measures. The PPM also communicates this inability through its outreach, the PPM website and publicity.

Nevertheless, the PPM explores with the Requestors and any in-country Authorized Representative if confidentiality of the identity of the Requestors or the in-country Authorized Representative and other relevant persons and/or any other information would mitigate the risks of Retaliation.”^[4]^[5]

The PPM addresses risks of retaliation through five main steps, which are detailed in Attachment 4 to the PPM Rules of Procedure, as follows:



1. Risk Identification

“The PPM makes a due diligence desk review of the risk environment and potential or actual risk of Retaliation against the Requestors, in-country Authorized Representative and other persons determined by the PPM to be relevant. This review forms a routine part of submission eligibility assessment. The PPM collates and endeavors to corroborate information from public sources, AIIB staff, international legal, financial, donor and governance institutions, non-governmental organizations (NGOs), civil society organizations (CSOs), private sector organizations, researchers, reporters and the Requestors.

[4] [PPM Rules of Procedure, Section 9.2](#)

[5] For more information on “Request for Confidentiality” and “Retaliation Assessment,” please see [PPM Rules of Procedure, Section 6.4.3](#)

The review is documented as a restricted access report that is stored and protected within the PPM management information system. The first review report is updated as appropriate and especially if the likelihood of retaliatory risks increases, until the submission has been concluded or the Requestors and any in-country Authorized Representative indicate that confidentiality is no longer required.

If the review report identifies that Retaliation may occur, the MD-CEIU notifies Management and discusses any actions that Management may take to avoid increasing the risk to the safety of the Requestors, in-country Authorized Representative and other relevant persons.

The PPM may also decide to forgo a site visit if this provides these persons with greater protection against Retaliation or avoids security risks to AIIB staff and consultants involved in the site visit.”

2. Implementing Retaliation Mitigation Measures

“Following completion of the due diligence desk review, the PPM works with Management to identify Retaliation mitigation measures, if any. Other parties with specific expertise may also be involved in this process, but PPM retains the prerogative to implement the measures it considers necessary and feasible. These measures are specific precautionary actions and contact processes.

Such measures may include **safer locations, methods, timing and transport for site visits, meetings and other communication; and selection and use of trusted intermediaries, interpreters, information providers, consultants and facilitators, including during Dispute Resolution.**

Persons approaching the PPM may also request confidentiality of their identities or information in accordance with these Rules of Procedure. Free, prior and informed consent will be required before information, digital recordings or images of Requestors can be made public by the PPM.”

The PPM coordinates with the Requestors and any in-country Authorized Representative regarding the planning of site visits, selection of venues for meetings, choice of transportation, and means of communication.

3. Monitoring Risk of Retaliation

“The PPM has primary responsibility for monitoring, reviewing and updating Retaliation risk status and measures, in consultation with MD-CEIU and Management. Information, identities and findings may be shared on a confidential basis with co-financiers to enhance the response against Retaliation, provided the Requestors and any in-country Authorized Representative has given specific consent.

Retaliation risk monitoring requires the risk identification report to be updated and contact maintained with the Requestors and the in-country Authorized Representative, particularly after site visits or other meetings.”

4. Responses to Retaliation

“If PPM monitoring or other information indicates that Retaliation has occurred despite precautionary measures, the PPM endeavors to communicate with the Requestors and in-country Authorized Representative to understand and corroborate the facts.

The PPM then presents a Retaliation incident report to the President, Management, and the Board of Directors.

The PPM and Management then attempt to implement any planned response developed with the Requestors and in-country Authorized Representative (where possible).”

PPM prioritizes cases involving retaliation, corroborates the information to the extent possible, and implements protocols developed together with the Requestors and other persons concerned. Any course of action is implemented on a case-by-case basis, and the responses to incidents will be guided by the PPM Policy and the RoFP. The situation is regularly reassessed and monitored, and when necessary, the course of action is modified.

5. Improving Responses to Retaliation

“The PPM will work with the Independent Accountability Mechanisms Network, a professional association of IAMs, and other groups to advance development of approaches to effective reduction and management of Retaliation against Project-affected people.

This may include developing an incident database and related information exchange measures, including naming of agencies or clients involved in Retaliation. The PPM learning function will also routinely capture and incorporate emerging good practices for mitigating the risks of Retaliation.”

Contact PPM

**Managing Director or Head of PPM Secretariat and Complaints Resolution
Complaints-resolution, Evaluation and Integrity Unit (CEIU)**

Address: AIIB Headquarters, Asia Financial Center, No. 1 Tianchen East Road,
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